

GENERAL AGREEMENT ON TARIFFS AND TRADE

Committee on Trade in Civil Aircraft

CONTRIBUTION TO THE MINISTERIAL MEETING

Note by the Chairman

The Agreement on Trade in Civil Aircraft is the only GATT sector agreement. It entered into force on 1 January 1980 and as at 1 July 1982 there were 19 signatories.

The Agreement has helped to facilitate trade in the products concerned, through elimination of duties and its non-tariff implications, and to establish a dialogue between the signatories in the Committee on Trade in Civil Aircraft.

Inter alia the Committee has examined three important points deserving consideration by the Ministers during the session of the CONTRACTING PARTIES.

1. Extension of tariff list

The Committee has made an inventory of requests by various States for additional products covered by Article 1 of the Agreement to be included in the tariff list.

The Ministers could examine possibilities for extending the list and could encourage the signatory States to take the relevant action.

2. Accession of new signatories

A novel feature of the Agreement on Trade in Civil Aircraft is that it comprises of two parts:

- a tariff part, from which all contracting parties to GATT can benefit under the principle of most-favoured-nation treatment;
- a non-tariff part, imposing rules of conduct solely on the signatories of the Agreement on Trade in Civil Aircraft.

It follows that the Agreement could be considered as constituting a homogeneous and balanced whole only if all the States having an aeronautical industry are signatories.

It would be useful for the Ministers to take this problem into consideration, encouraging States which are not signatories of the Agreement on Trade in Civil Aircraft but which have an aeronautical industry, to sign the Agreement. They might also consider ways of urging such States to consider signing it.

3. Dispute settlement

The Committee has recognized the extreme importance of satisfactory functioning of dispute settlement procedures for the proper functioning of the Agreement. The Ministers could recognize the importance of this question and encourage efforts to make the GATT dispute settlement procedures an effective instrument for solving trade disputes before the latter become acute.